



# Land Reform Policy Committee

Department of Land Affairs

Departement van Grondsake

Kgoro ya tsa Naga

UMnyango wezoMhlaba

**PROCEDURAL GUIDELINES RELATED TO THE REGISTRATION OF  
BENEFICIARIES ON THE CRITICAL PROJECT DATABASE.**

**(Submitted by Directorate: Redistribution Policy and CD: Co-ordination  
and Implementation Support)**

**PC.DOC. 40/1998**

## **1. BACKGROUND**

Since its inception, a number of households have benefited from the DLA's Land Reform Programme. In an attempt to keep a record of all its recipients, the department has initiated various systems of control - one such system is the Critical Project Database (CPD). The CPD is meant, amongst others, to keep a record of all beneficiaries who have previously received financial assistance. It should in future also keep a record of beneficiaries who are to receive assistance from DLA.

It is envisaged that these guidelines will assist in preventing beneficiaries from receiving grants in excess of the stipulated maximum of R16 000, as well as accessing further grants from other state departments'

## **2. PROBLEM STATEMENT**

'Crisis' is a much-overworked term in South Africa, yet its application is not inappropriate in relation to the anticipated problem that the Department will face with regards to double subsidisation of state grants. A review of redistribution projects has revealed that a number of land reform beneficiaries have: either received grants in excess of R16 000 by making multiple applications to the DLA; or have derived benefit from other state departments B most commonly, the Department of Housing. It should, however, be noted that the Department is in the process of following up this matter, by recouping these funds where it has been established that double subsidies have, in fact, been received. But more importantly, this phenomenon highlights the need to put in place procedural measures, which avoids a situation where double subsidisation occurs.

While the monitoring and management of beneficiary grants rests with provincial offices, and may include having to deal with any irregularities with regard to the provision of grants, a problem experienced by many provincial offices is that of establishing the bona fides of applicants, ie. whether or not applicants or their spouses/cohabitators have previously derived benefit from any state grants. Clearly then, there is also a need to revisit this aspect of the Land Reform Programme.

### **2.1 Policy Position**

#### **2.1.1 Grants and Services**

There are a few policy prescriptions set out in the Grants and Services Document that have a bearing on this matter B specifically, the criteria and disbursement of the Settlement/ Land Acquisition Grant

The S/LAG is presently set at a maximum of R16 000 per qualifying person.

A person shall qualify for the maximum amount of the S/LAG if neither that person nor his/her spouse/cohabitor has previously derived benefits from the grant or the Housing Subsidy Scheme, or any other state funding. This will, however, not preclude a second or other spouse from deriving benefit from the grant.

A person, who qualifies for a grant, may apply for one or more state grants, but cannot qualify for a total of more than R16 000. Also, any settlement benefits received from the government since 1 April 1994 will be taken into consideration in deciding the value of subsidy that a qualifying person may obtain.

There should be flexibility in the way the grant/s is/are accessed. For example, an applicant may apply for and be awarded a portion of the R16 000, and may then re-apply for an additional portion of the same or another grant at a later stage.

### **2.1.2 Entry and Exit of Beneficiaries**

The policy issue to be addressed here is: when are households registered as beneficiaries on the CPD. Before elaborating on this issue, a policy paper on the entry and exit of beneficiaries to land reform projects has already been adopted. As point of departure, however, the document assumes that the project has already been approved and the S/LAG disbursed, and in this regard, it is very clear. But, the paper is silent on what exactly the point is as regards the registration of land reform applicants as beneficiaries. The department does not have a policy position on this issue.

On further interrogation, there appear to be two schools of thought on this issue. The first proposes that the final "cut-off" point should be at designation/approval of the project by the Minister. At this point the Minister approves the release of the S/LAG "to any person". It should, therefore, stand to reason that when the Minister

approves a project, the funds released for that project is specifically attached to the applicant list appended to the approval memorandum. Hence, this defining moment happens when the Minister puts pen to paper. The second school propagates that this defining moment happens at the point of transfer B when the group physically benefits from the grant, ie. Transfer of Ownership. It is argued that the reality experienced 'in the field' is that households leave and join projects subsequent to approval (and transfer).

There are a number of 'pros and cons' to either debate. While the first school, ie. registration at approval, is technically and legally more correct, the second is practically preferable. Should the second be opted for, a number of questions arise. Firstly, what happens if a person withdraws from a project prior to transfer? In this situation, the Minister can be given a list of specific beneficiaries "or their nominees or assigns or, upon their withdrawal from the project, their replacements." This would mean that if beneficiary A B who is on the approval list B were to withdraw and is replaced by beneficiary B, the situation would be covered, as the S/LAG to be disbursed would remain the same. The approval memo will authorise the direct substitution of a person, while the total funds committed to the project will remain the same. This, however, leads to two further problems: firstly, what happens if the number of households withdrawing from the project does not match the number of households who wish to join the project. And secondly, against whose name should the grant be registered? So, for all practical purposes, it would appear that while the first option may be less flexible, it is also the more feasible option.

### **2.1.3 Present Conjecture**

The DLA has initiated two Change Management Projects that will affect the successful implementation of the proposed procedures, viz. The CPD Catalytic Project, and the Information Management Strategy Project (IMS). These two projects, while closely related, have very different aims and objectives. While the IMS seeks to determine standards for computer hardware, software and connectivity within the department, the CPD seeks to establish an effective management and tracking tool. For obvious reasons, the

CPD project is heavily reliant on the IMS project. As a consequence, while the CPD can be designed independently of IMS, its success will ultimately rest with the full operationalisation of IMS.

The above point is made to draw the distinction between the work done by the respective project teams. Also, to indicate that this paper aligns itself solely with the work done by the CPD Project Team. Hence, the proposals made will talk expressly to use of the CPD, and not the actual operation of the system, which forms the core function of the IMS. The paper will, as far as possible, desist from getting bogged down in technical detail/jargon, and focus on the use of the CPD and procedural guidelines to be proposed.

Within the CPD Catalytic Project, the database is to be reviewed with the aim to establishing an effective project management and tracking tool. Specifically, with regards to recording beneficiaries, the CPD will enable the following:

Firstly, it will establish whether an applicant has previously received a state grant, and

Secondly, if such person has received a grant from DLA or any other state department, what the value of that grant is, and whether such a person is eligible to receive further financial assistance.

To this end, the PDLA's will be in a position to link directly with the national database of the Department of Housing in order to make data comparisons. The database will be designed such that PDLA's can assess:

Pending applications,

Designated/ Approved projects, and

Projects in which the S/LAG has been transferred.

Also, the CPD will be linked with the Department of Home Affairs in order to establish the authenticity of identity numbers provided by applicants.

### **3 RECOMMENDATIONS**

The following section will provide policy and procedural recommendations to be considered for adoption.

3.1.1 It is recommended that land reform applicants be registered as beneficiaries at the point of Ministerial or PDLA approval where PDLAs have been delegated the authority to approve projects.

3.1.2 Should applicants withdraw from a project prior to Ministerial approval, such names should be removed from the CPD.

3.1.3 Should applicants withdraw from a project subsequent to Ministerial approval, such names may not be removed from the CPD, and these beneficiaries will not be eligible for further financial assistance, unless transfer of title does not take place.

3.2 In responding to double subsidisation and other irregularities, the following are proposed:

3.2.1 The identity numbers of applicants should be verified, either by checking such number on the CPD or checking the validity/authenticity of the identity document.

3.2.2 It is recommended that PDLA's verify the authenticity of applicant identity numbers before submitting projects for Ministerial approval.<sup>6</sup> To this end, it is proposed that the Provincial Director append a memorandum to the approval memo certifying that the bona fides of the prospective beneficiaries have been ascertained.

3.2.3 Applicants who have already received a grant to the maximum of R16 000 should be excluded from a project. Or such a person may continue to form part of the group/project on condition that s/he makes an own contribution, equivalent to the contributions made by each remaining household of the group participating in the project.

3.2.4 Where it has been established that a person has already had access to a state grant not exceeding R16 000, such a person will only qualify for the balance/remainder of the R16 000 grant. This information shall be captured under the "Financial Implications" section of approval memoranda.

### **3.3 Registering/Updating Beneficiary list on CPD**

3.3.1 During Phase 1 of the project cycle all applicants and co-applicants are required to complete the 'Registration-of-Interest' (R.o.I.) form, and this information must be entered onto the Critical Project Database (C.P.D.) by the project planner. Attached to the R.o.I. form, a certified copy of the applicant's identity document.

3.3.2 The project planner should then run a query against the National Housing Database to check whether any of the applicants have previously received a state grant.

3.3.3 It is recommended that the list of applicants be updated regularly so as to keep track of those households entering and withdrawing from the project. It is, further, recommended that this list be finalised at the end of Phase 2 of the Project Cycle prior to the final approval by the respective project approval committees.

3.3.4 An affidavit must be fully completed by each applicant before final approval by the respective project approval committees.

3.3.5 Subsequent to final approval by the Minister or delegated official, the CPD must be updated reflecting the status of the new beneficiaries.

3.3.6 Once the CPD has been updated, the beneficiary list must be forwarded to the National Housing Database in order that their lists may also be updated.

#### **4. SUPPORTING/REFERENCE DOCUMENTATION**

a. Technical and Procedural Manual for Land Reform, Volume 4(A) -



Redistribution;

b. Document on Grants and Services of the Land Reform Programme (version 3) Ref. PC.DOC. 15/1997;

c. Provision of Land and Assistance Act (Act 126 of 1993);

d. Policy Paper: Policy Guidelines relating to accessing or repaying the S/LAG when beneficiaries join and leave legal entities after land acquisition, PC.DOC.24/1997

## **5. INTENDED IMPACT ON PRIORITY TARGETS: INEQUALITY, POVERTY, WOMEN, and ENVIRONMENT**

The policy and procedural guidelines proposed in this paper will not necessarily advantage target groups, but it is envisaged that they will assist in reducing the number fraudulent applications to the department. In so doing, it will also make the department more accountable in the manner in which the grants are disbursed.

## **6. PROCESS OF INTERNAL APPRAISAL AND EXTERNAL CONSULTATION FOLLOWED**

This paper was compiled in collaboration with the CD: Co-ordination and Implementation Support; and will be incorporated into the work done by the CPD Catalytic Team. Input will be sought from the Directorate: Legal Services and, where appropriate, the document will be amended B after which the document will be circulated to all PDLA's for comment. The submission will be presented to the Policy Committee Meeting of 12 November 1998 for final approval.

## **7. INPUT FROM THE RESPONSIBLE POLICY DIRECTORS**

The Deputy-Director: Systems and Procedures, the Director: Redistribution Policy and Systems, the Chief Director: Redistribution, Land Rights and Land Development, and the Chief Director: Co-ordination and Implementation Support have been consulted and fully support the proposal.

## **8. LEGAL IMPLICATIONS**

None.

## **9. ORGANISATIONAL AND PERSONNEL IMPLICATIONS**

No additional personnel will be required.

## **10. FINANCIAL IMPLICATIONS**

None.

## **11. COMMUNICATION IMPLICATIONS**

The Directorate: Redistribution Policy and Systems will take responsibility for the incorporation of the policy proposal into the Technical and Procedural Manual. Deputy-Director: Marian Cloete will take responsibility for communicating and explaining the policy and procedural guidelines to all Provincial Offices.

## **12. INFORMATION SYSTEMS IMPLICATIONS**

Where new subsidies are allocated to beneficiary households, these should be reflected on the CPD.

## **13. NATURE OF DEPARTMENTAL DELEGATION ARISING**

None.

## **14. NATURE OF FURTHER APPROVAL REQUIRED BEFORE IMPLEMENTATION CAN PROCEED**

Final approval by the Minister.

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APPROVED BY MINISTER ON 26 NOVEMBER 1998